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GENERAL COUNSEL

JAN 22 2002

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Assurance Company of America,

1400 American Lane
Schaumburg, Illinois 60196.

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE
SCDI File Number 2001-110838

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the South Carolina Department of Insurance (the Department) and Assurance Company of America (the Company), an insurer licensed to transact insurance business within state of South Carolina.

I hereby find as fact, that the Company failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission (SCWCC) in the proceeding entitled Sonny Goins vs. Houston Associates, Inc., SCWCC file number 9638635, in the amount of \$520. The Company also acknowledges, and I find as fact, that it failed to pay that same judgment within fifteen days of being notified by the Department of its need to do so. This is a violation of § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the state of South Carolina, following a public hearing before the Administrative Law Judge Division.

Rather than contesting this matter, the parties have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that the Company would waive its right to a public hearing and submit through the Department an administrative penalty in the total amount of \$1,000.

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, I hereby impose an administrative penalty in the amount of \$1,000 against the Company pursuant to the authority provided to me by the South Carolina General Assembly in §§ 38-5-130 and 38-2-10 of the South Carolina Code. The Company must pay this administrative penalty within ten days of my date and my signature upon this consent order. If it does not do so, the Company's certificate of authority to transact business as an insurer within the state of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

The parties have agreed to this administrative penalty because of the Company's full payment of the SCWCC judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The

_____ Assurance Co. of America

parties expressly agree and understand the Company's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, the Company acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Assurance Company of America shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.

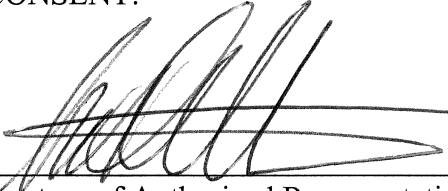


Ernst N. Csiszar
Director

22 Jan., 2002, at
Columbia, South Carolina

_____ Assurance Co. of America

I CONSENT:



Signature of Authorized Representative

SCOTT ORNSTEIN

Name

Claim Manager

Title

Assurance Company of America
1400 American Lane
Schaumburg, Illinois 60196

Dated this 17th day of January, 2002